

# NEW HAVEN INDEPENDENT

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## Kerekes Fights For Budget Document

BY **Melissa Bailey** | MAY 1, 2009 8:32 AM

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MELISSA BAILEY FILE PHOTO

A open-government showdown moves to Hartford Friday, as a New Haven budget watchdog fights for a five-year economic projection that he claims the city destroyed.

Jefferey Kerekes (pictured), of the [New Haven Citizens Action Network](#), filed a complaint with the state Freedom of Information Commission (FOIC) in January after the city refused to produce a copy of the five-year study.

The city told him he could take a look at it, but he couldn't take home a copy, because the document was a draft based on faulty assumptions and would mislead the public. Therefore, it was in the public interest to withhold the document, argued Kathleen Foster, assistant corporation counsel for the city.

Kerekes insisted on receiving a copy of the document and filed a complaint with the FOIC. He argued that the document was vital to an honest debate about the city

Thursday, on the brink of an FOIC hearing, the city caved: Foster agreed to release the document if Kerekes agreed to withdraw his complaint.

Kerekes showed up in City Hall Thursday at 4 p.m. to receive the document. He looked it over for about 20 minutes. He concluded the document was not the same one he had gotten a peek at last year during a meeting of the Financial Review & Audit Commission.

"Totally a bogus document in my opinion," said Kerekes. "It's totally different." The original document showed a drastic increase in taxes, he said. However, the draft he was given Thursday showed taxes flat for five years. The typeface and formatting were different. He suggested the document was massaged after he first got a peek at it last year, in July, to hide the city's bad news.

Kerekes asked for the copy he had seen. Foster replied that it didn't exist.

"She said they threw out the copy of the document that I had originally requested," he said.

Kerekes, fuming, refused to drop his complaint. He handed the document back to Foster and left.

Reached by phone Thursday, Foster had a different take on the exchange.

"Nothing was destroyed," she said.

Foster said the city produced the latest draft of the document Kerekes was looking for. The document is dated October 2008, before Kerekes filed his FOI request.

The draft Kerekes saw "may have been different," she said, "but it doesn't exist anymore. This is the iteration of this document."

She said the document, a one-page spreadsheet, was rendered “irrelevant” by the market crash and was never completed beyond draft form. The document used the five previous budget years to predict the next five years. The subprime mortgage crisis undermined that assumption, she argued, because the last five years was no longer a good prediction of the next five years.

Kerekes replied that he has trouble believing that the draft he saw doesn’t exist somewhere in an email box. He is moving forward with his case, which is set to be heard before the FOIC in Hartford today at 11 a.m.

Foster said she plans to appear at the hearing with the city comptroller.

She charged that as a member of FRAC, Kerekes should be conscious of conserving the city’s financial resources.

“You know how much money it’s going to cost the city to go up and argue this?” she said. “It’s kind of a big waste of time.”

Kerekes balked at the comment.

“And they can’t just release the document? This would have been over months and months ago. This is a waste of time.”

If the city threw away a document that might be crucial to this year’s budget season, it should be held accountable, he argued.

#### Commenting has closed for this entry

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#### Comments

**posted by: Streever on May 1, 2009 8:42am**

“Nothing was destroyed,” she said.  
“but it doesn’t exist anymore.”

Really Ms. Foster?

While this type of reasoning works for children & in applying the law of conservation of energy, it’s so transparently just a sneaky move...

I’m pretty sure it’s a federal crime to destroy documents which have been requested via FOI.

...

Here’s a clue. Even if it showed a huge tax increase & was a poor document, as you said before, it’s a draft. You simply release it and say, “This was one of the options we looked at. We discarded this option almost immediately because of the huge increase in taxes it requested.”

....

You may think it’s no big deal—“it was just a draft”—but regardless, you’ve hurt the image of the city to many today, and there is nothing any of us who typically support the city can say in your defense. It was indefensible & illegal.

**posted by: Streever on May 1, 2009 8:48am**

Foster:

“A “document of an agency” is defined in the FOI Act as:  
a document in the possession or under the control of an agency, whether created or received in the agency, including, a document in the possession or under the control of an officer of the agency in the officer’s official capacity, and a document to which the agency is entitled to access”

It DOES NOT matter if it is a draft. Was it a document you were entitled to access? then Mr. Kerekes also deserved access.

Furthermore,

“A document held by another person or body on the agency’s behalf - for example, by its solicitors if it is engaged in litigation - is a document to which the agency is entitled to access; it can therefore be the subject of an access or amendment application under the FOI Act “

Even if you don’t physically own it, but you are entitled to it, it’s open.

Furthermore, the law gives you 45 days to make a decision. It’s May now, Ms. Foster. Kerekes requested this in January. Do you see the problem here?

"You know how much money it's going to cost the city to go up and argue this?" she said. "It's kind of a big waste of time."

Your fault, Foster. Your fault.

**posted by: Harry David on May 1, 2009 9:51am**

This single episode demonstrates the pervasiveness of the culture of secretiveness and lack of transparency that NHCAN has been fighting for so long.

When we reviewed the 2008 budget and prepared our analysis, we realized that a one year budget provided no context for making budgetary decisions. It seemed obvious to us that greater transparency and longer term projections would help the public and the Board of Aldermen more intelligently review and approve the budget.

After all, most of the elements of the next several years expenses are known—labor contracts are already defined and can be projected, pension costs are cast in stone and are material obligations, health care costs are known and are known to have very definite and pretty high rates of inflation, health care for retirees are a contract obligation that is paid for from operating expenses with no provision for self-funding as is attempted for pension obligations, energy costs are likely to inflate at a rate independent of other expenses—all of these are entirely predictable and deserve to be estimated by the City and offered to the BOA and the public to frame the debate on the budget.

When we first asked for these projections and were denied, we prepared our own based on City and public data and using assumptions we clearly stated and left open for discussion and informed comment. We took the major cost drivers and projected them five years out using a 2008 vs 2007 year over year rate of increase with some changes. It was our best efforts to estimate future costs and revenues in order to estimate future tax burdens.

We made assumptions about State funding and other revenues. We then computed the gap between the projected revenues and the projected expenses to derive the tax impact which was derived from the previous income and revenue streams. WE concluded that based on those trends, taxes would have to increase significantly unless these trends were changed.

The Mayor has suggested in his Budget presentations that he embraces the concept of multi-year budget projections. So why waste tax dollars fighting the generation and dissemination of this information? Why not publish what they first prepared and update it regularly so as to keep everyone informed?

The amended document offered up by the City yesterday was highly enhanced and improved to make a political point, namely, there will be no tax increases over the next five years. That should have been the result of the kind of analysis we had requested, not the first line of a revised document that was presented. Of course who can quibble with the revised projections of no tax increases over the next five years?

Yet, given the secrecy obsessed budgetary process, who can be blamed for wondering whether such projections are no more than political posturing with some injudicious sales of assets to project no tax increases? Has the City found a way to order medical costs to remain flat or for pensions costs to stabilize? WE already know that the City has given up any attempt to fund the health care benefit for retirees—an obligation recently estimated at \$430 million even with some very interesting medical cost inflation assumptions.

This whole pattern of behavior is or should be embarrassing by all who seek more open, transparent and accountable government. I would not go so far as King Henry 11 who exclaimed "Will none of the dastards eating my bread rid me of this turbulent priest?" But can I ask "Will none of the Aldermen representing us demand a modicum of accountability?"

I wish Jeffrey well in his quest today. Perhaps the decision on this request will make a statement for more transparency.

harry

**posted by: City Hall Watch on May 1, 2009 9:51am**

This is routine for the city - let's play hide the documents because John DeStefano and nobody in his administration believe in open, transparent government. They give it lip service and then play hide the documents; don't do senior staff reviews that are written because all that is public. They fight disclosure. How can any citizen of New Haven have any faith whatsoever in this administration when the operative policy is non-disclosure.

Kathleen Foster: If you are interested in saving the city money, start with dropping the fight on the New Haven 20; start with collecting our taxes from the Anastasios and then make some serious recommendations on how the city can reduce its never ending list of losing lawsuits that cost taxpayers big settlements. Be proactive - train city staff and the mayor on how not to get us involved in a lawsuit over disclosure, over city decisions and other actions that lead to taxpayer nightmares.

**posted by: Brian V on May 1, 2009 10:09am**

Just more of JD's sneaky tricks.

He can't let anyone see he is going to be rising taxes- it's an election year!

**posted by: cedarhillresident on May 1, 2009 10:17am**

Those of us that know Jeffery dang well know he is being truthful!!! And Foster we the people of New Haven have the right to see this document!! If the city just gave up the document from the get go if would not of cost a cent!! It was city hall that decided to make this cost. SHAME ON THEM!

**posted by: Streever on May 1, 2009 10:31am**

Sorry, I think I was incorrect when I said that a draft is still entitled to FOI. Apparently it is a contentious thing if this is or isn't a draft—I'd argue that it isn't if it's being shown to the public.

Regardless, what is the point in hiding this information? why be so difficult?

5 seconds of transparency would have avoided this problem. But now, we get to go through a complicated legal process. Thanks Ms. Foster.

**posted by: anon on May 1, 2009 12:26pm**

Kerekes for Mayor!

**posted by: cedarhillresident on May 1, 2009 12:32pm**

anon

At least if Jeffery ran we could have some great debate and the issues that effect us most will make it to the lime light!

**posted by: jeffreykerekes on May 1, 2009 3:55pm**

I will be posting updates about my experience at the State Freedom of Information Commission on the [NHCAN website](#). I have posted the [sanitized projections](#) the city put together that are different than the ones I was shown in July 2008. At that time, I was told that the projections were ready to go pending review by the mayor. Their new projections claim that city taxes will remain **completely unchanged** over five years. The same things cost more each year. I do not believe these are accurate. Do you?

**posted by: City Hall Watch on May 1, 2009 7:01pm**

To show flat taxes would defy the near doubling of the property tax for homeowners across the last five years. With employment cost escalating, healthcare escalating, debt service escalating and a complete inability of the DeStefano to restrain itself from new spending, the taxpayers will continue to be hosed and abused. To put out a projection that is fabricated, cleansed and completely inaccurate and unattainable is dishonest and lacks any level of integrity. So, what's new? To think that we pay dearly for this is insulting. Where's the queen of spin on this latest development?

**posted by: Been Called Worse on May 1, 2009 8:14pm**

I'm positive that there are document retention laws pertaining to emails for city governemnt. I forget what the timeframe is, but 5 years sounds about right. If the document was ever emailed to/from the city's email system, an archive copy does exist. Will it be painful for one of the techs to retrieve it? Yes, but it has been done before. Altieri's entire email box had to be restored to satisfy an FOI request a few years back. Took about a week to do.

I can't speak to the authenticity of the document mentioned in the article. However, Foster is either disingenuous or misinformed in stating "the document doesn't exist anymore". Perhaps she no longer has a copy on her desktop/network account, but it most certainly resides in an email archive.

I am fully for an open and transarent government. It saddens me to see civil servants betray their integrity in a manner such as Ms. Foster appears to have done.

**posted by: NHCAN'T on May 1, 2009 8:54pm**

Jeff:

When NHCAN makes up numbers and Jeff and Harry create artificial financial issues based on their desire for projections, not fact, how is that transparent progress. Seems to me that it is the same tricks from the oppisite

perspective.

Transparency is a two way street and you two cannot add. You hold yourselves out as financial experts of public budgeting but based on what I read I wonder if you can balance a checkbook.

Get the information and add it up accurately, that would be a public service.

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**posted by: Charlie O'Keefe on May 3, 2009 12:28pm**

I think the no tax increases projection is the more interesting document. It indicates the number of layoffs which will be needed. The unemployed wont vote for the man who took there job away. The overtaxed will not vote for the man who took there money away. The governor wont send state money to the city that gave its downtown away to developers for free. The solution. Put your house in the market and get out now.

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**posted by: jeffreykerekas on May 3, 2009 12:48pm**

NHCAN'T (very cute by the way):

I believe transparency is important on our end as well. There were past criticisms that the numbers we used were hard to verify independently. We have thus cited page numbers and document sources on such documents and posted our spreadsheets for the calculations to be reviewed. We even use our real names while posting so we can be held accountable. We don't sanitize materials for public consumption. If we make mistakes, we correct them. One such mistake on my part was not knowing that BOE pensions are paid from State funds (from the sales and income taxes we pay instead of property taxes we pay to the City). I have posted corrections on our website and notices about errors.

You can try to spin it any way you want, but we don't fire people for talking to the press, we don't try to pull charades by passing off sanitized documents to call off State investigations, etc... etc....

I welcome the criticism if you care to be specific about our miscalculations, errors, etc... If you cite specific errors, I cannot trust you know what you are talking about.

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**posted by: jeffreykerekas on May 3, 2009 2:16pm**

oops. I meant to write:

I welcome the criticism if you care to be specific about our miscalculations, errors, etc... If you **cannot** cite specific errors, I cannot trust you know what you are talking about.